

Service Date: June 7, 2000

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Investigation of)	UTILITY DIVISION
Wilder Resorts, Inc., d/b/a Fairmont Hot Springs)	
Resort, Compliance with Public Utility Obligation)	DOCKET NO. D99.4.86
To File Tariffs for Water Service to its Customers)	ORDER NO. 6162e

ACCOUNTING ORDER

Background

1. Wilder Resorts, Inc., d/b/a Fairmont Hot Springs Resort (Fairmont), filed its application for authority to implement initial rates and charges for water with the Montana Public Service Commission (Commission) on August 16, 1999.
2. Montana Consumer Counsel (MCC), Fairmont Homeowners Association (Homeowners), Fairmont Estates Condominium Association (Condos), Fairmont RV Park (RV Park), and Daniel Berube, Individual, intervened in this docket.
3. On April 25, 2000, Chairman Dave Fisher, Commissioner Bob Anderson and Commissioner Gary Feland, a quorum of the Commission, conducted a duly noticed public hearing in Anaconda. Fairmont presented a Stipulation on the record to establish initial rates and an accounting order agreed to by the Intervenors, except the RV Park which did not participate in this Docket and was dismissed as an Intervenor at the hearing.
4. On May 9, 2000, the Commission issued Order No. 6162d approving the Stipulation.
5. At its duly noticed work session on June 6, 2000, the Commission approved the following Accounting Order.

Findings of Fact

6. Fairmont will incur costs in metering customer services as a result of the Stipulation and Order Approving Initial Rates.

7. The Stipulation allows Fairmont to accrue Allowance for Funds Used During Construction (AFUDC) at a rate of 9.875 percent for a period not to exceed two years or until meter costs are included in rate base. Fairmont agrees to meter all customers' services.

8. This Accounting Order is to be effective for a period not to exceed two years beginning May 9, 2000. Fairmont may file a request with the Commission to continue the AFUDC beyond the two-year period with a demonstration of the need for further accrual. The Commission will issue an order granting or denying the request.

9. Approval of this Accounting Order is for accounting purposes only. This Order is not a directive as to the proper accounting treatment for AFUDC.

Conclusions of Law

1. Fairmont provides water utility service within the State of Montana, and as such is a "public utility" within the meaning of § 69-3-101, Montana Coded Annotated (MCA).

2. The Commission properly exercises jurisdiction over Fairmont's rates and service, pursuant to Title 69, Chapter 3 MCA, § 69-3-102, MCA.

3. The Commission has the general power to do all things necessary and convenient in the exercise of the powers under Title 69, Chapter 3, MCA, § 69-3-103, MCA.

ORDER

Wherefore, the Commission authorizes Fairmont to accrue Allowance for Funds Used During Construction (AFUDC) at a rate of 9.875 percent for a period not to exceed two years or until meter costs are included in rate base, whichever comes first. Within two years of May 9, 2000, the date of the Order approving the Stipulation Agreement, Fairmont should have all customer services metered.

3. This Order is effective on issuance.

DONE AND DATED at Helena, Montana, this 6th day of June, 2000 by vote of 3 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman

BOB ANDERSON, Commissioner

GARY FELAND, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.